

# INVESTIGATING FRAUD, WASTE AND/OR ABUSE

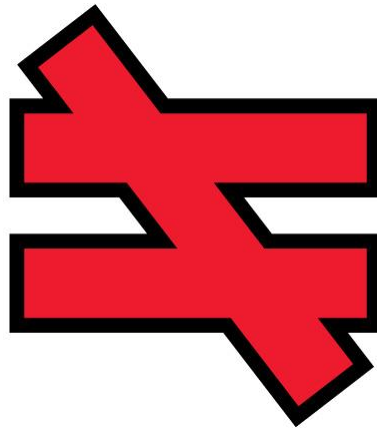
# PURPOSE OF INVESTIGATING FRAUD, WASTE AND ABUSE

- **Ensure** energy assistance benefits are received in correct amounts and only by those individuals who are eligible
- **Recover** tax dollars obtained by participants through fraudulent activities, unintentional participant error, administrative error or non-compliance
- **Deter** future occurrences of fraud or non-compliance within all energy assistance programs to help maintain program integrity



# TERMS

- **Fraud:** wrongful or criminal deception intended to result in financial or personal gain
- **Waste:** consuming, spending or expending thoughtlessly or carelessly
- **Abuse:** misusing or using improperly or excessively



- **Non-compliance:** failure of the individual participant to act in accordance with the rules and regulations of the energy assistance programs

# IS IT FRAUD?

## FRAUD:

- Participant intentionally fails to report changes in his or her circumstance in a timely manner in order to receive benefits for which he or she is not eligible
- Participant knows that the information he or she provides is false
- Participant intends to gain something of value



## NOT FRAUD:

- Participant provides incorrect information by mistake
- Participant is unaware of responsibility to provide certain information
- Participant provides false information for reasons other than to receive excess benefits

# EARLY DETECTION AND PREVENTION

- Thoroughly train all intake workers on:
  - Conducting detailed eligibility interviews
  - Identifying cases that need to be referred to their supervisor
- Check the RIAA Ineligible Applicant List
- Make sure all applications are fully completed and no information is missing or doesn't make sense



# BEGINNING OF INVESTIGATION

- Even though early detection and prevention are utilized, there will still be situations where people receive benefits they are not entitled to
- Notification is usually through a whistleblower, an anonymous tip or an agency monitoring



# INVESTIGATION

- **Investigation:** detailed examination or search to determine if an individual has committed an act of non-compliance or fraud and/or received benefits to which they were not entitled, resulting in a claim



# INVESTIGATIVE STEPS

- **In-House Investigation:** things that can be done at the agency through the agency's database and records

1. Determine eligibility factors

- i. If there is a specific eligibility question for the applicable time period, consult the Energy Assistance Guidelines for that time period





# IN-HOUSE INVESTIGATION

## 2. Review background information

- i. Previous EAP application
- ii. RIAA database
- iii. Public and government websites



# IN-HOUSE INVESTIGATION

- Does the information received from the applicant conflict with any information found during the background check or received from an informant?



# DOCUMENTATION

- Document each step taken in the course of the investigation in chronological order
- Include investigator notes as well as copies of relevant documents
- Important not just for agency records, but for situations where law enforcement will also be involved



# DOCUMENTATION

- Six basic questions to consider while collecting information during the course of any investigation:



WHO?

**HELLO**

my name is

?

WHAT?

Eligibility



# WHEN?





# WHERE?





# WHY?



# HOW?



# POTENTIAL SOURCES TO ASSIST WITH INVESTIGATION



# 1. EMPLOYMENT RECORDS

- Does the name match on the income documentation?
- Does the social security number match on the award letter or tax return?
- Does the participant work for the State of Indiana?
- Are there tax deductions for children?



## 2. UTILITY AND PHONE BILL

- Contact utility and phone service providers to determine:
  - Who is billed?
  - Who pays for the service?

### 3. LANDLORD OR MORTGAGE COMPANY

- Does the landlord know who lives in the rental property?
- Who is a party to the rental agreement?
- Who pays the mortgage?



## 4. COURTHOUSE AND/OR RECORDERS OFFICE RECORDS

- Look at records of the participant or property owner concerning:
  - Loans
  - Judgments
  - Mortgages
  - Real estate transfers
- Search divorce, custody and marriage records

## 5. SHERIFF OR POLICE DEPARTMENT

- Are there any records of local law enforcement calls or investigations?
- Did law enforcement make a trip to the participant's address?
- Did law enforcement list the names of all persons living there?





# CONFIDENTIALITY

The more people who know about an investigation, the greater the chances of the subject finding out.



# FINAL STEPS

- After violation has been corroborated, action needs to be taken
- Action needs to be taken against participant's application or against benefits if they have already been distributed
- Action taken can range from the rejection of the application to the termination of benefits and request for repayment of funds
- Case can also be submitted to Federal Officials if the situation warrants



# IHCDA INVOLVEMENT



- IHCD Community Programs Monitor and Compliance Attorney are available to assist during any phase of investigation
- **Be sure to make IHCD Community Programs Monitor aware of all substantiated acts of fraud, waste and abuse**
- IHCD Community Programs Monitor will then contact IHCD Compliance Attorney if situation warrants



# ASK DAVE...

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